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THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1242.  
FILED, JANUARY 14th. 1965.

PCE EXPLORATIONS LIMITED

Incorporated under Full corporate name of Company Part XI of The Companies Act under name Pacific (Eastern) Gold Mines Limited (No Personal Liability) by Letters Patent dated June 24, 1945, by Letters Patent Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 dated (Ontario) by Letters Patent dated May 1st, 1957). August 7th, 1957, the name of the Company was changed to PCE EXPLORATIONS LIMITED.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

Reference is made to previous Filing Statement No. 1060, and Amending Filing Statement Nos. 173 and 213.

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

The Company has purchased 85 mining claims in the Stikine area of the Province of British Columbia. The Company proposes to purchase, subject to the acceptance of this Filing Statement for filing by the Toronto Stock Exchange and of a like statement for filing by the Vancouver Stock Exchange, 9 mining claims in the Township of Nursey in the Province of Ontario. The agreement with the Vendor of the said mining claims has been negotiated and the Company is awaiting an executed copy thereof.

The Company proposes to purchase, subject to the acceptances aforesaid, 61 mining claims in the Township of James in the Province of Ontario and 32 mining claims in the Township of Dryden in the Province of Ontario.

The Company proposes to purchase, subject to the acceptances aforesaid, 51 mining claims in the Township of Nursey, 45 mining claims in the Township of Sothman and 27 mining claims in the Township of Semple, all in the Province of Ontario.

The Company has been provided with information regarding the mining claims referred to in the immediately preceeding paragraph of this Item 1 from Messrs. Brian and Don Sirola and proposes, subject to the acceptances aforesaid, as consideration for the said information to transfer to each of the said Messrs. Sirola 5% of the allowed Vendor share consideration of a company if, as, and when incorporated by and at the sole discretion of PCE Explorations Limited for the purpose of acquiring the said mining claims in the Townships of Nursey, Semple and Sothman.

The Company proposes, subject to the acceptances aforesaid, to enter an Underwriting and Option Agreement with respect to unissued Treasury shares. Particulars of the said Agreement are contained in Item 6 hereof.

2. Head office address and any other office address.

Second Floor, 335 Bay Street, Toronto 1, Ontario.

3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

D'ARCY M. DOHERTY, President and Director, 166 Warren Road, Toronto, Ontario; Partner: Doherty Roadhouse & McCuaig Bros.  
MURRAY WATTS, Vice-President and Managing Director; 35 Bayview Ridge, Toronto, Ontario; Mining Engineer.  
NORMAN E. PHIPPS Q.C., Secretary & Director, 295 Oriole Parkway, Toronto, Ontario; Partner: White, Bristol, Beck & Phipps.  
JOHN M. ROGERS, Director, 97 Roxborough Drive, Toronto, Ontario; Partner: Doherty, Roadhouse & McCuaig Bros.  
DELBERT G. BANNEKMAN, TREASURER and Director, 70 Rougecrest Drive, Markham, Ontario. Partner: Doherty, Roadhouse & McCuaig Bros.

4. Share capitalization showing authorized and issued and outstanding capital.

AUTHORIZED 6,000,000 shares of a par value of \$1.00 each.  
ISSUED AND OUTSTANDING - 3,755,000 shares.

5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.

NONE

6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.

Subject to the acceptances mentioned in Item 1 hereof, the Company has entered an Underwriting and Option Agreement with Doherty Roadhouse & McCuaig Bros., 335 Bay Street, acting as agent for a client referred to in Item 7 hereof providing for the purchase on the first business day after the later of the two said acceptances (herein called the "effective date") of 200,000 fully paid and non assessable Treasury Shares of the Company at 30¢ a share and the optioning of a further 300,000 fully paid and non-assessable Treasury shares of the Company as follows:  
100,000 shares at 30¢ per share within 30 days from the effective date.  
100,000 shares at 40¢ per share within 3 months from the effective date.  
100,000 shares at 50¢ per share within 6 months from the effective date.



7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Under the Underwriting and Option Agreement disclosed in Item 6 hereof Doherty Roadhouse & McCuaig Bros. will be acting as agents for a client, Hartford Investments Limited, Bitco Building, East Street, Nassau, Bahamas as to 100%. Hartford Investments Limited is wholly owned by Colin M. McNab. Speculative Investments Limited, a public company, holds an option to purchase all Mr. McNabb's shares in Hartford Investments Limited, which option expires on June 1st, 1969.																												
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None, except as disclosed in Item 1, hereof with respect to the share consideration to be paid to Messrs. Brian and Don Sirola for the information supplied regarding mining claims in the Townships of Nursey, Semple and Sothman in the Province of Ontario.																												
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<p>The Company proposes immediately to commence exploratory and geophysical work on the mining claims being acquired in the Province of Ontario and to carry out a drilling programme if warranted. The Company proposes to undertake a similar programme with respect to the mining claims in the Province of British Columbia in the latter part of May 1965, which is the earliest the property can be worked.</p> <p>The Company proposes to expend moneys received from the sale of the Treasury shares under the Underwriting and Option Agreement disclosed in Item 6 hereof on the above noted exploratory and geophysical work and diamond drilling.</p> <p>It is anticipated that a total of approximately \$30,000.00 will be expended to complete a thorough prospecting programme consisting of geochemical and geological together with geophysical work in the most interesting areas of the 85 claims acquired in British Columbia in the Stikine area of British Columbia. Proposed expenditures in respect of the claims acquired in the Province of Ontario are as follows:</p> <p>(1) Nursey, Sothman &amp; Semple Townships claims:</p> <table> <tr> <td>Examination and compilation of assessment records</td> <td>\$500.00</td> </tr> <tr> <td>Allowance for geophysical surveys - minimum -</td> <td>\$5,000.00</td> </tr> <tr> <td>Travel and miscellaneous expenses</td> <td>\$1,500.00</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$7,000.00</b></td> </tr> </table> <p>Cost of a diamond drilling programme, if warranted, would be in the order of \$4.00 - \$6.00 per foot.</p> <p>(2) Janes Township claims:</p> <table> <tr> <td>Line cutting: 50 line-miles at \$40.00</td> <td>\$2,000.00</td> </tr> <tr> <td>Magnetometer survey: 50 line miles @ \$45.<sup>00</sup></td> <td>2,250.00</td> </tr> <tr> <td>Supervision, travel and expenses</td> <td>1,000.00</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$5,250.00</b></td> </tr> </table> <p>Electromagnetic survey (if warranted):</p> <table> <tr> <td>50 line miles at \$55.00</td> <td>\$2,750.00</td> </tr> <tr> <td>Travel and expenses.</td> <td>550.00</td> </tr> </table> <p>Diamond drilling: (if warranted) including transportation, extras, assaying, geological supervision etc. approximately \$5.00 per foot.</p> <p>(3) Dryden Township claims.</p> <table> <tr> <td>Line cutting: 20 line miles @ \$40.00</td> <td>\$ 800.00</td> </tr> <tr> <td>Magnetometer survey 20 line miles @ \$60.00</td> <td>1,200.00</td> </tr> <tr> <td>Supervision, field expenses and travel</td> <td>1,000.00</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$3,000.00</b></td> </tr> </table> <p>Diamond drilling (if warranted) including mobilization expenses, assaying, supervision, maps and reports approx. \$4.00 - \$5.00 per foot.</p> <p>It is not anticipated that any funds received by the Company under the Underwriting Agreement with Doherty Roadhouse &amp; McCuaig Bros. will be used in connection with properties already owned by the Company. Funds currently in Treasury would be sufficient to cover any exploration costs in connection with the Huron Syndicate and the Cooney Wood Syndicate. If preliminary exploration on the properties being acquired in the Townships of Janes, Sothman, Dryden, Nursey &amp; Semple in the Province of Ontario and in the Stikine Area of British Columbia is encouraging complete exploratory work including diamond drilling will involve expenditures possibly in excess of \$200,000.00.</p>	Examination and compilation of assessment records	\$500.00	Allowance for geophysical surveys - minimum -	\$5,000.00	Travel and miscellaneous expenses	\$1,500.00	<b>TOTAL</b>	<b>\$7,000.00</b>	Line cutting: 50 line-miles at \$40.00	\$2,000.00	Magnetometer survey: 50 line miles @ \$45. <sup>00</sup>	2,250.00	Supervision, travel and expenses	1,000.00	<b>TOTAL</b>	<b>\$5,250.00</b>	50 line miles at \$55.00	\$2,750.00	Travel and expenses.	550.00	Line cutting: 20 line miles @ \$40.00	\$ 800.00	Magnetometer survey 20 line miles @ \$60.00	1,200.00	Supervision, field expenses and travel	1,000.00	<b>TOTAL</b>	<b>\$3,000.00</b>
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10. Brief statement of company's chief development work during past year.	<p>Geological and Geophysical work including diamond drilling, on 12 mining claims in the Townships of Wark and Prosser in the Province of Ontario.</p> <p>Geophysical work on mining claims owned by the Company in Thorburn Township. The results of such exploration did not warrant diamond drilling.</p> <p>Diamond drilling on claims in Carpentier Township, Province of Quebec under Cooney Wood Syndicate Agreement.</p> <p>Exploration, geophysical and drilling programmes on properties.</p> <table> <tr> <td>Wark &amp; Prosser Twps.</td><td>\$33,439</td></tr> <tr> <td>Dryden Twp.</td><td>160</td></tr> <tr> <td>Keefer Twp.</td><td>1,513</td></tr> <tr> <td>Thorburn Twp.</td><td>2,565</td></tr> <tr> <td>Langmuir Twp.</td><td>190</td></tr> <tr> <td>Carpentier Twp.</td><td>14,743</td></tr> <tr> <td></td><td><u>\$52,610</u></td></tr> </table>	Wark & Prosser Twps.	\$33,439	Dryden Twp.	160	Keefer Twp.	1,513	Thorburn Twp.	2,565	Langmuir Twp.	190	Carpentier Twp.	14,743		<u>\$52,610</u>
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11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	<p>85 Mining claims in the Stikine Area of the Province of British Columbia; Vendor: Henry L. Hill, 844 West Hastings Street, Vancouver, B.C.; consideration \$5,050.00 (cost of staking)</p> <p>9 mining claims in the Township of Nursey, in the Province of Ontario, Vendor: Brian Sirola, General Delivery, New Liskeard, Ontario; consideration \$1,800.00.</p> <p>32 mining claims in the Township of Dryden in the Province of Ontario; Vendor: Assembly Mines Limited, 159 Bay Street, Toronto, Ontario; consideration: to Assembly Mines Limited \$4000.00 on effective date; to Isaac Burns, 242-6th St., Lively, Ontario 100,000 fully paid and non-assessable shares of the Company payable as follows:</p> <ul style="list-style-type: none"> <li>(a) 25,000 shares on effective date.</li> <li>(b) 25,000 shares within 6 months of effective date.</li> <li>(c) 25,000 shares within 12 months of effective date.</li> <li>(d) 25,000 shares within 18 months of effective date.</li> </ul> <p>61 mining claims in the Township of Janes, in the Province of Ontario; Vendor: Assembly Mines Limited, 159 Bay Street, Toronto, Ontario; consideration: to Assembly Mines Limited \$4000.00 on effective date to Isaac Burns, 242-6th St., Lively, Ontario 100,000 fully paid and non assessable shares of the Company payable as follows:</p> <ul style="list-style-type: none"> <li>(a) 25,000 shares on effective date.</li> <li>(b) 25,000 shares within 6 months of effective date.</li> <li>(c) 25,000 shares within 12 months of effective date.</li> <li>(d) 25,000 shares within 18 months of effective date.</li> </ul> <p>51 mining claims in the Township of Nursey, 45 mining claims in the Township of Sothman and 27 mining claims in the Township of Semple, all in the Province of Ontario. Vendor: Gordon C. Watts; consideration: \$5,855.87 (cost of staking). 90% of the 200,000 shares to be issued to Isaac Burns in respect of the mining claims acquired by the Company in Dryden and Janes Townships will, when issued, be deposited in escrow subject to release only upon the written consent of the Toronto Stock Exchange.</p>														
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	<p>The Company knows of no one other than those names disclosed in Item 11 hereof. Murray Watts and his sons are the sole owners of Assembly Mines Limited- Mr. Watts is the Vice-President and Managing Director of PCE Explorations Limited.</p> <p>Of the consideration being given by the Company for the acquisition of the claims in the Townships of Dryden and Janes referred to in Item 11 hereof, Assembly Mines is to receive the cash consideration and the said Isaac Burns to receive the share consideration.</p>														
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	<p>As of January 8th 1965, 200,000 shares were held in escrow in the names of D'ARCY M. DOHERTY as to 100,000 and MURRAY WATTS as to 100,000. These shares are subject to release on the consent in writing of the Toronto Stock Exchange. The said Exchange has consented to the release of 65,000 of the said shares effective January 13th, 1965 and a further 65,000 effective April 10th, 1965.</p> <p>When all the shares for the acquisition of the mining claims in the Townships of Dryden, and Janes, referred to in Item 11, are issued, a further 180,000 shares will be held in escrow.</p>														



# FINANCIAL STATEMENTS

## PCE EXPLORATIONS LIMITED

335 BAY STREET  
TORONTO 1, ONTARIO

### BALANCE SHEET AS AT JANUARY 12, 1965 ASSETS

<u>CURRENT ASSET</u>		
Cash		176,125
<u>FIXED ASSET</u>		
Mining claims and leases at cost		116,615
<u>OTHER ASSET AND DEFERRED EXPENDITURE</u>		
Interest in exploration participations	177,163	
Exploration, development and administrative expenses	<u>152,327</u>	<u>329,490</u>
		<u>\$622,230</u>
<u>LIABILITIES</u>		NIL
<u>CAPITAL STOCK LESS DEFICIT</u>		
Capital stock -		
Authorized -		
6,000,000 shares of \$1 each		\$6,000,000
Issued and fully paid -		
3,755,000 shares	3,755,000	
Discount thereon	<u>2,782,641</u>	972,359
Deficit		<u>350,129</u>
		<u>\$ 622,230</u>

### STATEMENT OF SOURCE AND APPLICATION OF FUNDS SINCE JANUARY 31, 1964

	<u>SOURCE</u>	<u>APPLICATION</u>
1964		
Jan. 31 Balance	\$ 8,004	
Sale 1,100,000 treasury shares	335,000	
Interest	2,519	
Purchase 12 claims Twps. of Wark & Prosser, District of Cochrane		\$ 73,000
Purchase 32 claims, Thorburn Twp.		10,800
Purchase option 23 claims, Keefer & Denton Twps.		5,300
Purchase 32 claims Keefer & Denton Twps.		2,709
Staking 85 claims Stikine Area, B.C.		5,050
Staking 123 claims in Nursey, Sothman & Semple Twps., District of Sudbury		5,856
Exploration, geophysical and drilling programs on properties		52,610
Taxes, licenses and fees		1,325
Legal and audit fees		5,191
Stock Exchanges and transfer agents' fees		2,926
Administration charge		1,200
Printing and stationery		1,085
Miscellaneous		6
Salary		240
Purchase of 16 claims (100 acres each) in Northern Quebec-Carpentier and 10% interest in Cooney Wood Syndicate		<u>2,100</u>
		<u>\$169,398</u>
1965		
Jan. 12 Balance	<u>\$345,523</u>	<u>176,125</u>
		<u>\$345,523</u>

Certified Correct

.....  
President

.....  
Treasurer

### EXPLORATION, GEOPHYSICAL AND DRILLING PROGRAMS ON PROPERTIES

Wark & Prosser Twps.	\$33,439
Dryden Twp.	160
Keefer Twp.	1,513
Thorburn Twp.	2,565
Langmuir Twp.	190
Carpentier Twp.	<u>14,743</u>
	<u>\$52,610</u>

January 12, 1965.

Certified Correct

.....  
President

.....  
Treasurer



## ENGINEER'S REPORT

Note: - The following are excerpts from a report by Ross D. Lawrence, P. Eng., B. A. Sc., M. Comm., dated, December 16th, 1964, on mining claims located in Dryden Township, East of Sudbury, Province of Ontario. A complete copy of this report is on file with the Toronto Stock Exchange.

### SUMMARY

Low nickel-copper values have been discovered near the footwall of a gabbro complex in southwest Dryden Township. Trenching concentrated in two areas 3,500 feet apart along strike has indicated a zone varying from 40 to 80 feet wide. Assays of samples from this zone have averaged 0.22% Ni and 0.33% Cu. A programme of work is recommended to determine whether concentration of sulphides has taken place within this zone which might be of commercial grade.

### CONCLUSIONS

An interesting zone of nickel-copper mineralization has been discovered upon which limited work has been completed to date. Trenching has indicated that the zone, as presently uncovered on surface, is from 40 to 80 feet in width and may be continuous along a strike length of 3,500 feet. The grade as indicated by the number of samples so far assayed is low. An average of 0.55% combined nickel and copper is indicated.

On the positive side, a strong zone of mineralization has been indicated along the favourable footwall of a large gabbro intrusive. This discovery merits additional detailed work to determine whether a zone of more concentrated mineralization exists in this area, which might be of commercial grade.

### RECOMMENDATIONS

A complete grid of lines should be completed. Lines should be cut at 200-foot intervals along the base line and extended south to the granitic rocks and north about one-half mile.

Preliminary magnetometer work has suggested that the zones of mineralization may be relatively more magnetic, than the host rock. A magnetometer survey is, therefore, recommended. Readings should be taken at close intervals in the area of interest.

Following this work, the advisability of carrying out an electromagnetic survey should be evaluated. The objective is to gain sufficient information to intelligently lay out a drilling programme to test for zones of concentrations.

### ESTIMATED COSTS

Line-cutting: 20 line-miles @ \$ 40	\$ 800
Magnetometer survey: 20 line-miles @ \$ 60	1,200
Supervision, field expenses and travel	<u>1,000</u>
	\$ 3,000
Possible electromagnetic survey	<u>\$ 3,000</u>

Diamond drilling - the all-in cost of diamond drilling, including mobilization expenses, assaying, supervision, maps and reports will be in the order of \$ 4.00 to \$ 5.00 per foot, depending upon the size of programme decided upon.

Respectfully submitted,

*Ross D. Lawrence*

Toronto, Ontario,  
December 16th, 1964.

Ross D. Lawrence, P. Eng.,  
B. A. Sc., M. Comm.



## CERTIFICATE

I, Ross D. Lawrence, hereby certify:

1. That I am a geological engineer and reside at 21 Munro Blvd., Willowdale, Ontario.
2. That I am a registered Professional Engineer in the Province of Ontario.
3. That I graduated from the University of Toronto in 1956 with the degree of Bachelor of Applied Science and in 1959 with the degree of Master of Commerce.
4. That I have been continuously engaged in geological work for eight years.
5. That the foregoing report is based upon an examination of the property on November 27th, 1964, upon details provided me by the prospector working on the property and upon a map published by the Ontario Department of Mines.
6. That I have no personal interest nor do I expect to receive such an interest, directly or indirectly, in the property described or in the securities of P C E Explorations Limited.

*Ross D. Lawrence*

Toronto, Ontario,  
December 16th, 1964.

Ross D. Lawrence, P. Eng.,  
B. A. Sc., M. Comm.

## ENGINEER'S REPORT

Note: -The following are excerpts from a report by Ross D. Lawrence, P. Eng., B. A. Sc., M. Comm., dated, January 11th, 1965, on mining claims located in the Townships of Nursey, Sothman, and Semple, Montreal Mining Division, Province of Ontario. A complete copy of this report is on file with the Toronto Stock Exchange.

### SUMMARY

Three groups of claims are in the process of being acquired by P C E Explorations Limited, in Nursey, Sothman and Semple Townships, 30 miles west of Matachewan. A total of 132 claims are included in the groups. They cover ground that is underlain by Keewatin volcanics and later ultrabasic intrusive.

Work in the past in this area has disclosed the presence of sulphides but nothing of commercial value was ever discovered. Further, detailed work is warranted and a small programme of investigation has been recommended.

### CONCLUSIONS

The information examined by the writer indicates that this area is geologically favourable for the possible deposition of mineral deposits. There has been considerable ultrabasic intrusive activity with interesting associated structural conditions. Work carried out in past years appears to have been in the nature of a relatively quick search for large ore deposits. Indications of mineralization were noted but rarely followed up in any great detail. The area definitely warrants additional work.

### RECOMMENDATIONS

A detailed examination of material filed as assessment work with the Ontario Department of Mines should be made. This information should be compiled to allow the best geological interpretation possible. Only at that time can a proper recommendation be made as to the type of work which should be done next. However, an allowance should be made for some geophysical surveys of the electrical type, followed by possible drilling to test anomalous zones.

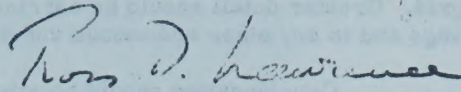
### ESTIMATED COSTS OF WORK

Examination and compilation of assessment records	\$ 500
Allowance for geophysical surveys - minimum	5,000
Travel, miscellaneous expenses	1,500
	<u>\$ 7,000</u>



The all-in cost of diamond drilling in this area, including transportation, assaying, supervision, etc., and depending upon the size of programme contracted for, will be in the order of \$ 4.00 to \$ 6.00 per foot.

Respectfully submitted,



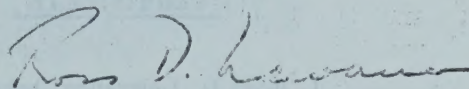
Toronto, Ontario.  
January 11th, 1965.

Ross D. Lawrence, P.Eng.,  
B. A. Sc., M. Comm.

#### CERTIFICATE

I, Ross D. Lawrence, hereby certify:

1. That I am a geological engineer and reside at 21 Munro Blvd., Willowdale, Ontario.
2. That I am a registered Professional Engineer in the Province of Ontario.
3. That I graduated from the University of Toronto in 1956 with the degree of Bachelor of Applied Science and in 1959 with the degree of Master of Commerce.
4. That I have been continuously engaged in geological work for over eight years.
5. That the foregoing report is based upon an examination of various reports and maps available published by the Ontario Department of Mines.
6. That I have no personal interest, nor do I expect to receive such an interest, directly or indirectly, in the properties described or in the securities of P C E Explorations Limited.



Toronto, Ontario.  
January 11th, 1964.

Ross D. Lawrence, P.Eng.,  
B. A. Sc., M. Comm.

#### ENGINEER'S REPORT

Note: -The following are excerpts from a report by Ross D. Lawrence, P. Eng., B. A. Sc., M. Comm., dated, December 21st, 1964, on mining claims located in Janes Township, District of Sudbury, Province of Ontario. A complete copy of this report is on file with the Toronto Stock Exchange.

#### SUMMARY

The property consists of 61 claims in Janes Township, 32 miles east-northeast of Sudbury. A zone of disseminated sulphide mineralization has been indicated in twelve pits dug just before snow covered the ground. Assays of samples taken by the prospector were low in nickel and copper. However, the zone may be about one mile long and up to 200 feet wide. Additional work is warranted to test for possible areas of sulphide concentration. A work programme to include geophysical surveys and diamond drilling has been recommended.

#### CONCLUSIONS

Nickel-copper sulphide mineralization has been reported in quartz diorite along a contact with quartzite. The zone has apparently been noted in pits along a strike length of about one mile over good widths. The assays reported are low but the prospect warrants further investigation to determine whether an area can be found within the zone where concentration of sulphides has taken place.



### RECOMMENDATIONS

It is recommended that a grid system be cut with the base line paralleling the strike of the mineralized zone. Cross lines should be cut at 400-foot intervals to cover the property with lines at 200-foot intervals in the area of the showings.

A magnetometer survey should be carried out using this grid. Greater detail should be carried out in the area of the showings and in any other anomalous zones.

Consideration should be given to the advisability of carrying out an electromagnetic survey, particularly in those areas which might be termed favourable, following the magnetometer survey.

Following the geophysical survey a diamond drilling programme should be considered to test for possible zones of sulphide concentration.

### ESTIMATED COSTS OF WORK

Line-cutting: 50 line-miles @ \$ 40	\$ 2,000
Magnetometer survey: 50 line-miles @ \$ 45	2,250
Supervision, travel and expenses	<u>1,000</u>
	\$ 5,250

Electromagnetic survey: 50 line-miles @ \$ 55	\$ 2,750
Travel and expenses	<u>550</u>
	\$ 3,300

Diamond drilling: including transportation, extras,  
assaying, geological supervision, etc.  
approx. \$ 5.00 per foot

Respectfully submitted,

*Ross D. Lawrence*

Toronto, Ontario,  
December 21st, 1964.

Ross D. Lawrence, P.Eng.,  
B. A. Sc., M. Comm.

### CERTIFICATE

I, Ross D. Lawrence, hereby certify:

1. That I am a geological engineer and reside at 21 Munro Blvd., Willowdale, Ontario.
2. That I am a registered Professional Engineer in the Province of Ontario.
3. That I graduated from the University of Toronto in 1956 with the degree of Bachelor of Applied Science and in 1959 with the degree of Master of Commerce.
4. That I have been continuously engaged in geological work for eight years.
5. That the foregoing report is based upon details provided me by the prospector working on the property and upon a map published by the Ontario Department of Mines.
6. That I have no personal interest nor do I expect to receive such an interest, directly or indirectly, in the property described or in the securities of P C E Explorations Limited.

*Ross D. Lawrence*

Toronto, Ontario,  
December 21st, 1964.

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B. A. Sc., M. Comm.



## ENGINEER'S REPORT

Note: -The following is a report by H. L. Hill and Associates, dated, December 4th, 1964, on mining claims located in the Stikine Area, Province of British Columbia. A complete copy of this report is on file with the Toronto Stock Exchange.

### INTRODUCTION

The Stikine area covers the eastern contact of the Coast Range batholith for a distance of 100 miles in length and some 40 miles in width. Activity in the area to date has centered around the Stikine Copper-Kennco operation at the headwaters of Galore Creek, a tributary of the Scud River, which in turn is a tributary of the Stikine River, and is located some 60 miles south of Telegraph Creek, B. C.

Development results at the Stikine Copper during the past four years have been most encouraging. According to unofficial reports ore reserves are now in the neighborhood of 200 to 300 million tons averaging well over 1% copper per ton. Southwest Potash and also Anaconda own properties close to Stikine Copper, which hold promise of becoming successful producing mines. In addition to the above, many other companies, both major and small, were active in the area during the past year, and it is reasonable to expect other properties of merit will be developed in the future.

The Stikine Copper-Kennco ore body occurs in a syenite porphyry, which has intruded a volcanic-sedimentary complex series of rocks. Prospecting and geological work to date indicate that favorable conditions do exist for the discovery of commercial ore bodies elsewhere in the Stikine area.

### LOCATION AND ACCESS

The three groups of ground owned by P.C.E. Exploration Limited lie east of the Stikine River in a rugged terrain. Elevations vary from 3,000 to 6,000 feet. Access to the area is by plane from Stewart, B. C. or Wrangell, Alaska, thence by helicopter as trails and roads are non-existent. Supplies can be transported by flat bottomed river barges up the Stikine from Wrangell, Alaska, a distance of 120 miles.

### TOPOGRAPHY

The watershed of the Stikine River occurs within the Coast Mountains and has been extensively glaciated. This area is characterized by U shaped valleys with steep slopes rising to ridges at 6,000 to 8,000 feet, which are covered by snow and ice.

Much of the ground held by P.C.E. Exploration Limited is covered by till, but exposures are good on the numerous steep bluffs.

### GEOLOGY

#### General

Kerr shows that rocks in the Stikine area include Upper Paleozoic and Lower Mesozoic, fine-grained, clastic sediments, limestones, cherts and volcanic rocks within which there are numerous intrusions of granite, granodiorite and diorite, together with dykes and small stocks of porphyritic rocks. One particular rock type of porphyritic syenite appears to be associated with copper mineralization. Scattered throughout the area there are several extinct volcanos, and Tertiary to Recent sediments and lava flows cover sections of the valley floors.

#### THE BUT GROUP

##### Summary and Conclusions

The BUT Group of 42 mineral claims is located 12 miles north of the Stikine Copper Mines, as shown on the map accompanying this report. The claims cover an oxidized orthoclase porphyry intrusive, which is considered a favorable host rock for copper mineralization, and is the only known porphyry intrusive immediately north of the Stikine Copper Mine.

A systematic exploration program, consisting of geochemical, geological and geophysical work is recommended, particularly in the area of the orthoclase porphyry intrusive.

##### Location

The BUT Group is located between Phacops and Butterfly Mountains, and between Butterfly Creek and the head of Brydon Creek east of the Stikine River. Relief in the claim block area is about 5,000 feet, and elevations range from 2,000 feet at Butterfly Creek to over 7,000 feet at the peak of Phacops Mountain. Only a small part of the area is covered by glacial ice.

##### Geology

The BUT claim block lies in the same general structural trend as the Galore Creek area, and a body of orthoclase porphyry has been mapped by Kerr, 1948 (G.S.C. Memoir No. 246), and is positioned in the center of the claim block. Kerr reports evidence of mineralization on the slopes of Phacops Mountain.

The area is situated east of the large granitic mass cut by the Stikine River in the Devil's Elbow area, and the contact of this mass with the metamorphic rocks, which underlie a large part of the claim block, lies to the northwest of the claim block area.

The orthoclase porphyry on Butterfly Mountain is the only known intrusion of this type between the BUT group and the large area of this type of rock in the vicinity of Galore Creek where the orthoclase porphyry contains large amounts of disseminated copper minerals.

##### Recommendations

An exploration program, the first phase of which is estimated to cost \$10,000, is hereby recommended to complete a thorough prospecting program which would consist of geochemical and geological work together with geophysical work in the most interesting areas.



## THE O.P. GROUP

### Summary and Conclusions

The O.P. Group of 15 mineral claims is located about one and one quarter miles north of the center of the Stikine Copper Mine, as shown on the map accompanying this report.

The claims are underlain by volcanics and sediments which might be intruded by syenite or orthoclase porphyry masses and, for this reason, we would recommend a systematic exploration program consisting of prospecting, geochemical and geological work over the entire group.

### Location

The O.P. Group is located southwest of the confluence of the Galore and Scud Rivers, the latter being a tributary of the Stikine River. Relief in the claim block varies from 2,000 to 4,000 feet.

The claims are bounded on the south by Conwest holdings and on the west by a group held by the Stikine Syndicate.

### Geology

The O.P. Group is underlain by Mesozoic volcanics and sediments which include a belt of limestone. There is a possibility that a porphyry intrusion, which is the favorable host rock on the Stikine Copper property, may occur on this property.

### Recommendations

An exploration program, the first phase of which is estimated to cost \$10,000, is hereby recommended to complete a thorough prospecting program which would consist of geochemical and geological work together with geophysical work in the most interesting areas.

## THE M.B. GROUP

### Summary and Conclusions

The M.B. Group of 28 mineral claims is located about a half mile southwest of the Kennco ore body, as shown on the map accompanying this report. The claims cover altered and copper mineralization in volcanic rocks, and are considered very favorably located.

A systematic exploration program is recommended over the entire group.

### Location

The M.B. Group is located at the headwaters of the north fork of Split Creek. Relief in the claim block varies from 3,000 to 7,000 feet. Only a small part of the area is covered by glacial ice. The Stikine Copper-Kennco property adjoins the M.B. Group on the north and west, the Anaconda group on the south and the Stikine Syndicate on the west.

### Claims

Twenty eight mineral claims were staked in the area for P.C.E. Exploration Limited. In view of the fact that the claims to the northwest overlapped ten JOAN claims, they were acquired by Bill of Sale, thus clearing the ownership to the northwest. To the southeast the claims may overlap the ANN group. However, the prospector who staked the ground was of the opinion that the ANN group was shown on the Government maps too far to the northwest. If the overlap to the southeast does exist, the M.B. group will be reduced to a total of 14 mineral claims, which is considered a fair sized block of ground in view of the strategic location.

### Geology

The M.B. Group is underlain by Mesozoic volcanics and sediments, and an intrusive might be located by systematic geologizing.

Anaconda plans an extensive exploration program during 1965 on a northwest-southeast altered zone in volcanics, and there is the possibility that a parallel zone might exist on the M.B. group.



Recommendations

An exploration program, the first phase of which is estimated to cost \$10,000, is hereby recommended to complete a thorough prospecting program which would consist of geochemical and geological work together with geophysical work in the most interesting areas.

H. L. HILL & ASSOCIATES

*HLH*

Henry L. Hill

HLH/mjr

December 4th. 1964.

CERTIFICATE

I, HENRY L. HILL, of the City of Vancouver, Province of British Columbia, Mining Engineer, hereby certify:

1. That I am a practicing Mining Engineer and reside at 710 Southborough, West Vancouver, B. C.
2. That I am a graduate in Mining Engineering of the University of British Columbia, B.A.Sc., 1931, and have been practicing my profession as a Mining Engineer for over twenty five years.
3. That I am a member of the Association of Professional Engineers of the Province of British Columbia.
4. That I am a member of the Canadian Institute of Mining and Metallurgy.
5. That, in 1934, I joined the Engineering staff of Bralorne Mines Limited, and in 1939 was appointed chief engineer of their development and exploration department, which position I held until 1944.
6. That I served as General Superintendent of Reeves-McDonald Mines Limited, located in the Salmo District of British Columbia, during 1947 and 1948.
7. That I practice my profession as a Consulting Mining Engineer from 1944 to 1946, and from 1948 to the present, with headquarters in Vancouver, British Columbia, and am the sole owner of the consulting firm of H. L. Hill & Associates, Consulting Engineers, Vancouver, B. C.
8. That I have no direct or indirect interest whatsoever, nor do I expect to receive any, in the P.C.E. Exploration Limited, or in the securities of the said P.C.E. Exploration Limited.
9. The accompanying report is based upon an examination by myself and staff of the property in the summer of 1964.

DATED at Vancouver, British Columbia, this 4th day of December, 1964.

*HLH*

Henry L. Hill



14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	The Company understands that Isaac Burns will be the beneficial owner of the further 180,000 shares to be escrowed referred to in item 13 hereof.
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>As of January 8th, 1965:</p> <p>Doherty Roadhouse &amp; McCuaig Bros. 844,223 335 Bay Street, Toronto, Ontario. (of these 262,000 shares are held for D'ARCY M. DOHERTY, as beneficial owner. Beneficial owners of remainder unknown.)</p> <p>Doherty Roadhouse &amp; Company 221,197 335 Bay Street, Toronto, Ontario. (Beneficial owners unknown)</p> <p>Bongard &amp; Company 25 Adelaide Street, Toronto, Ontario. 106,260 (Beneficial owners unknown)</p> <p>D'Arcy M. Doherty 335 Bay Street, Toronto, Ontario. 101,000 (escrowed as to 100,000 shares as of January 8th, 1965; beneficial owner D'Arcy M. Doherty).</p> <p>Murray Watts, 55 Bayview Ridge, Toronto, Ontario. 100,000 (escrowed as to 100,000 shares as of January 8th, 1965; beneficial owner Murray Watts).</p>
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	No person has shareholdings large enough materially to affect control of the Company, but D'Arcy M. Doherty, the President and a Director thereof is in a position to affect control if he is able to obtain proxies from the five largest shareholders as disclosed in Item 15 hereof.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	47,450 shares of Gavan Mines Limited at cost price of 10½ cents per share - no current market value 750,000 shares of Pacific (Northern) Gold Mines Limited at book value of \$164,226.00 - no current market value.
18. Brief statement of any lawsuits pending or in process against company or its properties.	NONE
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	The Company has a 5% interest in the Pine Point Syndicate, Pine Point area, N.W.T.; a 33.1/3% interest in the Huron Syndicate, oil exploration venture in Western Ontario and a 10% interest in the Cooney Wood Syndicate
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. At present, no shares of the Company are in the course of primary distribution to the public. It is intended that the Treasury shares which are the subject matter of the Underwriting and Option Agreement referred to in Item 6 hereof shall be distributed to the public.

# CERTIFICATE OF THE COMPANY

DATED 13th January, 1965.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"D. M. Doherty"

President:

PCE EXPLORATIONS LIMITED

CORPORATE

SEAL

"D. J. Bannerman"

Secretary:

## CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

DOHERTY ROADHOUSE & McCUAIG BROS.

"D. M. Doherty"